

Testimony of Raymond Butler
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Mr. Chairman, members of the Committee, thank you for giving the Gulf Intracoastal Canal Association (GICA) an opportunity to provide its input into the vital questions of how Gulf Coast inland waterways navigation might be affected by future hurricane protection options and how it has been affected by the recent storms.

Before I answer those questions, I would like to tell you a bit more about our association. In August, GICA celebrated its 100th anniversary. Its 200 plus members are a who's who of barge and towboat operators, cargo shippers, port authorities and waterways service organizations from Florida to Texas.

GICA was formed by visionary leaders from across the Gulf Coast, who recognized the economic value of an inland canal connecting all the ports, large and small, along the Gulf Coast. As visionary as they were, they did not even begin to recognize the contribution this canal would be making to our economy 100 years later. Their early estimates were that the canal would move 5 million tons of cargo a year. Congress approved the project on that basis. As the canal was under construction, one of my predecessors was bold enough to predict it might someday move 10 million tons a year. Ladies and gentleman, that canal, which is little changed from its initial design, now carries some 120 million tons of cargo a year and has plenty of capacity left to meet the growing transportation needs of this nation. Barges move cargo more efficiently, cleanly and cheaply than any competing surface mode. To give you an example, a single towboat pushing two tank barges, which is common on the Gulf Intracoastal Waterway (GIWW), can move 60,000 barrels of product. That same product would require 80 railroad tank cars or 300 large tank trucks to move. Every day, thousands of barges move vital commodities that would otherwise have to be loaded in tens of thousands of additional trucks on our already crowded highways to get to their destinations.

In my view, it was not random chance that concentrated the nation's refining and petrochemical industries along the Gulf Coast. These facilities depend upon one another for feedstocks and other products. They constantly move large quantities of a multitude of products between facilities. More often than not, barges provide the most efficient means for them to do so. Barges also carry their final products to customers throughout the inland waterway system, from Minneapolis to Chicago to Pittsburgh and points in between.

The products of these refineries and chemical plants are vital to every American. If you drive a car, turn on a light, eat or use products containing plastic, you depend on these plants and refineries. These facilities also provide vital high paying jobs that sustain the Gulf Coast economy. Reliable, efficient and low cost waterways transportation keeps costs down and allows our Gulf Coast facilities to remain competitive in an increasingly tough global marketplace. Gulf Coast industries depend on the waterways. We all

depend on them. So, in reality, our entire nation depends on the Gulf Intracoastal Waterway and its tributaries. A significant disruption to the GIWW would be a disruption to the national economy. It could be devastating to particular areas. For example, the gasoline supplies for the Florida panhandle and the Rio Grande Valley are delivered mainly by the GIWW. They quickly feel the effects of any disruptions. It is because of the local, regional and national importance of the canal that GICA continues to exist as an organization, advocating for proper stewardship of this vital resource.

Overall, the GIWW fared well in the series of hurricanes that have battered the Gulf over the past year. The GIWW served its navigation role well while other modes of transportation along the Coast remained crippled. However, there are reasons for concern, lessons to be learned and actions to be taken to ensure the future reliability of the canal.

First of all, GICA has learned that our industries and their customers, especially gasoline and diesel end users, need the earliest possible resumption of navigation following a storm. We must start taking action before a storm hits to be ready to resume operations quickly after the storm. For that reason, industry pre-positions personnel and equipment to be used in the restoration effort before a storm strikes. We have developed partnerships with the U.S. Army Corps of Engineers and the U.S. Coast Guard. Our people work side by side with them during and after the storm. I have been privileged to be present in the Coast Guard Command posts for Ivan, Dennis, Katrina and Rita serving as the liaison between the Coast Guard and inland navigation interests for response purposes. During the hours after storm passage, when the Coast Guard and its boats and aircraft are rightly focused on lifesaving and public safety missions, our member's vessels are in the waterway, often with Coast Guard and/or Corps representatives on board, conducting sonar sweeps for debris and shoaling, noting discrepancies in navigation buoys and looking for other waterways problems. These same vessels and personnel, using sophisticated mapping and positioning equipment, can actually set temporary buoys under the direction of Coast Guard personnel at a time when no Coast Guard assets are available for this service or when Coast Guard resources are tied up on other reaches of the waterway. Within 6 days following Katrina and 4 days following Rita, shallow draft navigability had been restored along the entire Gulf Intracoastal Waterway. Without the government, GICA and industry partnership, navigation would have been delayed for a much longer period of time.

Another thing we have learned is that communications are vital. We must do a better job of ensuring that the Coast Guard, Corps and industry are working with the same information at the same time. In the crisis mode, before, during, and immediately after the storm, key personnel from each group should be in the same place, coordinating preparations for the storm, the resumption of navigation afterward, and, where needed, waterborne relief efforts. Following Katrina, the Coast Guard and Corps had separate headquarters in Mobile for the areas east of New Orleans. The Coast Guard in New Orleans moved to Alexandria, Louisiana and the Corps in New Orleans moved to Vicksburg. This is an issue that will be addressed in after action reviews and from my

informal discussions with the Corps and Coast Guard, I believe they share our commitment to the idea of co-locating personnel to coordinate efforts.

We have also learned once again that hurricanes do not respect artificial lines between Corps Districts or Coast Guard sectors. Gulf Intracoastal Waterway Response efforts after these storms had to be coordinated across three Corps of Engineer Districts each reporting to three independent divisions. Information needs to be coordinated among field offices and between the field level, regional, and headquarters levels. The most effective tactic used in the entire navigation response effort was the scheduling of daily conference calls which included key Corps, Coast Guard and industry stakeholders. We saw situations where decisions were being made at one agency on the basis of old data from another agency. For example, at one point after Rita, the Corps felt there was no need to open a lock for navigation because the Coast Guard daily situation report from that morning stated that the waterway segment leading up to it was closed. Unfortunately, the Corps was unaware that, within an hour after the situation report was issued, the local Coast Guard Captain of the Port reopened that segment of waterway. Even though eight hours had passed, the updated information had not made its way to all the people who needed it to make the right decisions. What we need is a "Common Operating Picture." I'm told this is a concept already used in the military that allows every player at every level of command to graphically see what is going on and where it is happening on a real time basis. We should have a common operating picture for navigation, accessible to government and industry, that will tell us whether certain reaches of the waterways are open or closed, whether locks are functional, whether draw bridges are working, where there are obstructions, downed power lines, buoys off station and the like. The idea is that anybody with the "need to know" can look at a map on their computer, find the information they need, and get the same answer at the same time. Such a system would allow users to determine the source and time of the information if they need to follow up or make a correction.

Perhaps the greatest cause for concern from a navigational perspective came after Rita in the area east of Lake Charles, between the Calcasieu and the Leland Bowman locks on the Gulf Intracoastal Waterway. The fields and marshes in this area were flooded by the storm surge and needed to be drained. At the same time, the refining and petrochemical industries were hard hit by Katrina and had seen almost a week of disrupted deliveries during the repositioning of marine equipment in preparation for Rita. In particular, gasoline supplies were extremely stressed by evacuation-related demand. Some of the plants that were still operating were in danger of shutting down if they could not get barges to their docks. Others needed barges to resume operations. This was a developing crisis of national proportions. You probably remember that the President made a public appeal for the nation to conserve fuel to avert a crisis.

Against this backdrop, we were told by the Corps that the lock gates at Calcasieu and Leland Bowman would be kept open and would not be operated to pass marine traffic until the water receded, which they said could be for days or weeks. This meant that the only waterway connection between Lake Charles, Louisiana and points east was essentially severed. Gasoline and other products could not be delivered between Texas

and New Orleans or any other ports on the Mississippi River or points east, nor could materials move the other way. The refineries and chemical plants told us that this could not be allowed to happen. The issue was elevated within the Corps and, rightfully so, a decision was made that navigation had to continue. Fortunately, we were able to clear the backlog and keep traffic moving, but there were still significant restrictions placed on navigation. Had we not seen a reduction in barge movements that was probably a result of some of the refineries and plants restarting operations slowly, we could have seen a huge barge backlog develop at these locks.

In normal times, the customers using barge transportation can tolerate some transportation delays without significant adverse effects. Hurricanes are not normal times and when the system is already stressed by shutdowns and excessive demand induced by a hurricane, additional navigational delays could become the straw that breaks the camel's back and, potentially, brings down facilities. So, what do we do? I believe we need an integrated solution that addresses the needs of navigation, flood control and the environment in a manner that allows us to simultaneously address all these issues. We need a means of draining flooded basins other than by using the navigation locks needed to keep vital goods essential to our nation's economy moving on the waterways. This could come in the form of floodgates or other by other means that could allow for greater drainage while at the same time letting tows get safely through. In exploring the cost-benefit ratios for these measures, we need to ensure our economic models properly account for the value they would provide in a crisis.

We must take a holistic approach to environmental stewardship. We must recognize the clear environmental benefits of waterways transportation. As we take steps to protect and restore the wetlands of Louisiana and elsewhere, we must do so in a way that will not impair the efficiency of this vital mode of transportation. In Europe, many in the environmental community have been calling for increasing the use of barges as a way to get cargo off of crowded roadways and railroads. Again, our existing waterways have the capacity to meet a lot of the projected future transportation demand of our nation.

As we rebuild our coastal communities, we must be sensitive to the need to keep a reasonable separation between residential and retail development and the waterways. We do not allow people to build on the shoulders of our freeways. We should not allow them to locate structures that concentrate members of the public on the edges of our navigational channels. Through wise planning, we can have commercial development, environmental protection and navigation in the same areas, but safety must be paramount and navigability must be protected.

Some say our waterways are fragile. I say they are resilient. Our ability to spring back after two devastating hurricanes is proof. However, they are not indestructible. For too long, we have been neglecting our waterways and the Gulf Intracoastal Waterway is no exception. We have been deferring maintenance and upgrades and if we continue to do so, we will see decreases in efficiency, unplanned shutdowns and possibly catastrophic economic consequences. We need to clear the deferred maintenance backlog. We need to have the spare parts and emergency backup systems that will allow the Corps to

quickly restore operations if we have another hurricane, a bad accident, a terrorist attack or simply a failure of a key lock component due to old age. We need to maintain project depths of our waterways through adequate funding for periodic dredging. In general, we know how often dredging will be required. There is no reason we should have to fight year after year for appropriations for basic maintenance and upkeep.

Where appropriate, we should invest in replacement structures where the existing facilities are simply unable to meet the need or where they can no longer be economically maintained to an appropriate level of reliability. I mentioned the situation at the Calcasieu and Leland Bowman locks. I believe we need a structural remedy there. In the meantime, we must have operational measures that will ensure continuity of navigation. We need to speed up the replacement of the Inner Harbor Navigation Canal Lock. This choke point is the key to the ports east of New Orleans along the Gulf Coast. It is vital to supplying gasoline to the Florida panhandle, especially in situations such as right now, when the Chevron refinery in Pascagoula is out of operation. The only alternative is Bayou Baptiste Collette. This route adds 24 hours to the trip and is not passable in bad weather. Had the Corps not reprogrammed money to dredge the Baptiste Collette this summer, it would not have been available as an alternate route when we were unable to use the Inner Harbor Navigation Canal following Katrina.

We must recognize that the Intracoastal Waterway is a system and every segment is essential. Draw bridges that cannot be operated following a storm or which are abandoned long before storm landfall cripple navigation and, in the time leading up to a storm, can leave the lives of mariners seeking shelter from the storm in severe peril. The Coast Guard must establish and enforce policies that require bridges to remain operable so long as it is safe for them to do so or be abandoned in the position open to navigation. Otherwise we may face loss of life, damage to equipment and the potential for a disastrous oil or chemical spill in the next Katrina or Rita.

In summary, although I am not an expert on structural protection from hurricanes, I can tell you that we need to examine the damage our locks suffered as a result of the storms and ensure we protect these vital structures as best we can. As mentioned before, we need adequate spare parts, ready to deliver, to fix whatever damage occurs. I can tell you that efficient, low cost inland waterway transportation is vital to serving American consumers and keeping our coastal industries competitive in the global marketplace. Where structural remedies are required to assist in flood damage reduction, they must not in any way impair the dependable, reliable and efficient navigation upon which we all depend.

Thank you for the opportunity to speak to you today. I would be happy to address any questions you may have.